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SUBJECT: BULGARIAN VIEWS ON JAN 26-27 GAERC ISSUES

REF: STATE 4297

Classified By: DCM Alex Karagiannis for reasons 1.4 (b) and (d)

(C) SUMMARY. In response to reftel points, MFA Director for EU Common Foreign and Security Policy Sergey Tassev noted that the upcoming GAERC would focus on the Gaza conflict and energy security issues; Western Balkans and Afghanistan would not be discussed at all. Bulgaria supports EU positions on Gaza and believes the EU should work with all sides in the conflict to ensure a lasting settlement, effective humanitarian assistance and an end to illegal smuggling. Bulgaria will urge the European Commission to be "more demanding" in its negotiations with Russia on energy issues and will push for a binding political commitment to prevent a repeat of this winter's crisis in which Bulgaria and other states were "held hostage". Tasev said that in the eyes of the Bulgarian government both Russia and Ukraine "lost credibility", but Bulgaria is not taking sides in the dispute and will not raise the issue of compensation at the GAERC, (Bulgaria will pursue this independently). welcomes the recent decision by President Obama on Guantanomo Bay and will likely support whatever common EU position emerges from the meeting. Bulgaria will be one of ten EU countries signing an agreement to create a trust fund for the Neighborhood Investment Facility to support business development in Moldova, Ukraine and the Caucuses. Tasev noted that Gergana Grancharova, Minister of European Affairs will attend the meeting rather than Foreign Minister Kalfin. END SUMMARY.

EU and Gaza

12. (C) Tasev indicated that Gaza will take up much of the discussion at GAERC. Bulgaria is in agreement with the EU's positions on Gaza, emphasizing the need for a long-term solution with a comprehensive humanitarian assistance package and a plan to end illegal smuggling and promote inter-Palestinian reconciliation.

Russia/Ukraine Energy Crisis

¶3. (C) For Bulgaria, this issue will be the most important of the meeting. Bulgaria is very concerned about the ad hoc nature of the resolution of this month's crisis and wants a solution that will prevent a reoccurrence in coming years. While Bulgaria has appreciated the EU's support, Tasev noted that there remains a fundamental divergence of interests between producers, transit countries and consumers. Bulgaria hopes to bring all these interests together at their April

- 24-25 Energy Summit in Sofia. According to Tasev, the crisis was a blow to the credibility of both Russia and Ukraine and the EC should take a stronger and "more demanding" role in negotiations with Russia. The only way to prevent another situation in which EU members are held hostage by transit disputes, he said, is to insist that Russia and Ukraine sign a binding political agreement with the EU as a whole. As an insurance policy, Bulgaria will also pursue diversification of its energy sources and may turn to the EU for assistance.
- 14. (C) While Bulgaria is disappointed with both Ukraine and Russia, Tasev noted that it wants to maintain a productive dialogue with both countries. Bulgaria still supports MAP for Ukraine, though perhaps not at the next NATO summit. Continuing dialogue with Russia on security issues such as Georgia, CFE and nuclear disarmament is also important to Bulgaria, and Tasev said he hopes that engagement on these issues will continue independently of the energy discussions.

Guantanomo

15. (C) According to Tasev, Bulgaria will not be actively involved in discussions on Guantanomo Bay, but it welcomed President Obama's decision to close the prison within one year. NOTE: To our knowledge the GOB has not made a formal decision, but Bulgarian newspapers are reporting today that Bulgaria has refused to consider accepting prisoners.

Neighborhood Investment Facility

16. (C) Following the GAERC meeting, Bulgaria and nine other EU countries will sign an agreement to establish a trust fund for the Neighborhood Investment Facility (NIF), a program designed to promote business development in Ukraine, Moldova and the Caucuses. Tasev said that Bulgaria is an enthusiastic proponent of this program and has donated approximately 650,000 USD to the trust fund.

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